

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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SF 65 - Administrative Rules, Small Business Impact (LSB 1887 SS)  
Analyst: Jennifer Vermeer (Phone: (515) 281-4611) (jennifer.vermeer@legis.state.ia.us)  
Fiscal Note Version – New  
Requested by Senator Darryl Beall

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**Description**

Senate File 65 requires the Department of Economic Development to analyze each administrative rule to determine if the rule has a substantial impact on small business, whether the impact is adverse, and whether any feasible alternatives exist to reduce the impact. The analysis and findings are required to be provided to the Administrative Rules Review Committee, the Rules Coordinator, and the agency. Agencies are required to note in the preamble of the rule if the rule has a substantial impact on small business.

**Assumptions**

1. The average number of administrative rule filings from 2001 through 2003 is 459 per year.
2. The Legislative Services Agency (LSA) performed a cursory review of the rule filings in ten Iowa Administrative Bulletins, including July 21, 2004, through September 29, 2004, and December 8, 2004, through February 2, 2005, to determine an approximate percentage that may have an impact on small business.
3. Approximately 41.6% of the rule filings appeared to have an impact on small business that may, under the Bill, require an analysis by the Department.
4. This results in approximately 191 rule filings each year, or 16 per month, that may require an analysis of the small business impact by the Department.
5. The LSA assumed each analysis may take between one and twenty hours, or an average of ten hours per analysis.
6. This results in approximately 1,900 hours of work each year. One full-time equivalent (FTE) position is typically 2,080 hours per year.
7. The Department of Economic Development assumes salary and benefit costs of \$50,000, and support costs of \$5,000, for a total of \$55,000.

**Fiscal Impact**

The estimated fiscal impact of SF 65 is a State General Fund increase of \$55,000 and one FTE position in FY 2006 and FY 2007.

**Sources**

Legislative Services Agency  
Department of Economic Development

/s/ Holly M. Lyons

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February 16, 2005

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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